

Cadwalader, Wickersham & Taft

100 Maiden Lane

New York, N.Y. 10038

Telephone: (212) 504-6000

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WASHINGTON, D.C. 20036
(202) 862-2200
TWX: 710-822-1934

RECORDATION NO. 6125-
FIVE YEAR

DEC 31 1988 - 10 55 AM

INTERSTATE COMMERCE COMMISSION

440 ROYAL PALM WAY
PALM BEACH, FLA. 33480
(407) 655-9500
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RECORDATION NO. 6125-
FIVE YEAR

DEC 31 1988 - 10 55 AM

INTERSTATE COMMERCE COMMISSION

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8-365A013

No. DEC 30 1988

Date

Fee \$ 52.00

ICC Washington, D.C.

December 30, 1988

RECORDATION NO. 6125-
FIVE YEAR

DEC 31 1988 - 10 55 AM

INTERSTATE COMMERCE COMMISSION

Ms. Mildred Lee
Secretary
Interstate Commerce Commission
12th and Constitution Avenue, N.W.
Washington, D.C. 20423

RECORDATION NO. 6125-
FIVE YEAR

DEC 31 1988 - 10 55 AM

INTERSTATE COMMERCE COMMISSION

Re: Documents for Recordation Pursuant to 49 U.S.C.
§11303

Dear Ms. Lee:

I enclose an original and two certified copies of the following documents to be recorded pursuant to Section 11303 of Title 40 of the U.S. Code:

1. A Mortgage, Security Agreement and Assignment of Leases and Rents, a primary document, dated December 30, 1988;
2. A Loan Agreement, a secondary document, dated December 30, 1988;
3. A Limited Recourse Secured Promissory Note, a secondary document, dated December 30, 1988; and
4. A Bill of Sale, a secondary document, dated December 30, 1988.

The Mortgage, Security Agreement and Assignment of Leases and Rents and the Bill of Sale cover one hundred eighty six (186) used open top hopper cars with the following road marks:

Vertical signature on left margin

Vertical signature on right margin

Twenty one (21) open top hopper cars bearing reporting marks: WSOX 6820, 6822, 6823, 6826, 6830, 6840, 6844, 6849, 6855, 6856, 6858, 6859, 6891, 6902, 6919, 7454, 7464, 7483, 7500, 7507, 7509; twenty (20) open top hopper cars bearing reporting marks: UMP 6825, 6833, 6863, 6864, 6866, 6869, 6871, 6874, 6875, 6876, 6880, 6882, 6884, 6886, 6887, 6890, 6892, 6898, 6912, 6913; thirty (30) open top hopper cars bearing reporting marks: UMPX 6821, 6827, 6837, 6838, 6839, 6841, 6843, 6846, 6853, 6854, 6857, 6860, 6862, 6867, 6872, 6879, 6881, 6883, 6893, 6894, 6897, 6899, 6906, 6914, 6916, 6918, 7435, 7453, 7479, 7498; and one hundred fifteen (115) open top hopper cars bearing reporting marks: WSOR 6829, 6831, 6832, 6834, 6836, 6842, 6845, 6848, 6851, 6852, 6861, 6865, 6868, 6870, 6873, 6877, 6878, 6885, 6888, 6889, 6895, 6896, 6900, 6901, 6903, 6904, 6905, 6907 through 6911, 6915, 6917, 7433, 7434, 7436 through 7450, 7452, 7456, 7457, 7458, 7460 through 7463, 7465 through 7471, 7473 through 7478, 7480, 7481, 7482, 7484 through 7497, 7499, 7501 through 7506, 7510 through 7514, 7516, 7517, 7519, 7521 through 7528, 7530, 7531 and 7532.

The Loan Agreement, the Limited Recourse Secured Promissory Note and the Bill of Sale are secondary documents relating to the enclosed Mortgage, Security Agreement and Assignment of Leases and Rents, which is a primary document and is being submitted for initial recording and indexing.

The mortgagor, debtor and buyer in the above-described documents is Ridgefield Development Corporation ("Ridgefield"), a Pennsylvania corporation, with its address at 1250 Tower Lane, Erie, Pennsylvania 16505.

The secured party, mortgagee and lender in the above-described documents is Irving Leasing Corporation ("ILC"), a New York Corporation, with its address at 1290 Avenue of the Americas, New York, New York 10104.

The seller pursuant to the Bill of Sale is Northbrook Corporation ("NC"), a Delaware corporation, with its address at 2215 Sanders Road, Suite 370, Northbrook, Illinois 60062.

A recordation fee of \$52.00 is enclosed. Please return the original copy of the Limited Recourse Promissory Note and one stamped receipted copy of each of the other enclosed documents after they have been recorded and indexed to me, James P. Finnegan, Esq., Cadwalader, Wickersham & Taft, 100 Maiden Lane, New York, New York 10038.

The following is a short summary of each of the enclosed documents which may appear in the index:

December 30, 1988

1. Mortgage, Security Agreement and Assignment of Leases and Rents, dated December 30, 1988, between Ridgefield and ILC, pursuant to which Ridgefield granted, conveyed, delivered mortgaged, assigned and transferred over to ILC a first priority mortgage and security interest in, among other things, the 186 open top hopper cars.

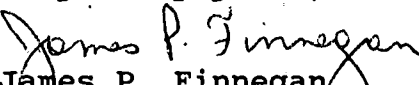
2. Loan Agreement, dated December 30, 1988, between Ridgefield and ILC, providing for two secured loan facilities to be made available by ILC to Ridgefield, the initial such facility to be in the original principal amount of \$4,224,000 and the second such facility to be available to Ridgefield to refinance the initial such facility and the proceeds of such facilities to be used for the purpose of, among other things, Ridgefield's acquisition of the 186 open top hopper cars.

3. Limited Recourse Secured Promissory Note, from Ridgefield to the order of ILC in the principal amount of \$4,224,000 evidencing Ridgefield's obligations to ILC pursuant to the Loan Agreement and secured by the Mortgage, Security Agreement and Assignment of Leases and Rents.

4. Bill of Sale, dated December 30, 1988, from NC transferring title to 186 open top hopper cars to Ridgefield.

If you have any questions concerning this matter, please call me at (212) 504-6227.

Very truly yours,


James P. Finnegan

JPF/ab
Enclosures

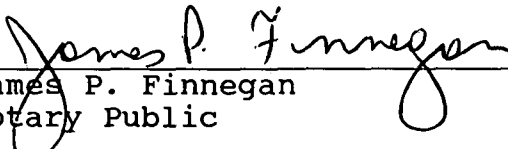
BY HAND

1 6125-B
RECORDATION NO. _____
FEB 30 1988 - 10 25 AM
INTERSTATE COMMERCE COMMISSION

CERTIFICATION

I, James P. Finnegan, Notary Public of the State of New York, do hereby certify that the attached copy is a true and complete copy of the original document.

Dated: December 30, 1988


James P. Finnegan
Notary Public

JAMES P. FINNEGAN
Notary Public, State of New York
No. 60-4733054
Qualified in Westchester County

RECORDATION NO. 16125-B
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DEC 30 1988 - 10 27 AM
INTERSTATE COMMERCE COMMISSION

LIMITED RECOURSE
SECURED PROMISSORY NOTE

U.S. \$4,224,000

December 30, 1988

RIDGEFIELD DEVELOPMENT CORPORATION (the "Company"), a corporation organized and existing under the laws of the State of Pennsylvania, FOR VALUE RECEIVED, hereby promises to pay to IRVING LEASING CORPORATION ("ILC"), OR ORDER, on or before May 29, 1989 (the "Maturity Date"), at the principal office of Irving Trust Company ("Bank"), One Wall Street, New York, New York 10015, for the account of ILC, the principal sum of Four Million Two Hundred Twenty Four Thousand Dollars (\$4,224,000) (the "Principal Amount"), in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, and to pay interest (computed on the basis of the actual days elapsed on a 360-day year) for the period from the date hereof until the Maturity Date on the portion of said principal sum remaining unpaid for each day at the rate per annum of eleven percent (the "Interest Rate"). As used herein, the term "Business Day" means any day other than a Saturday or Sunday or any other day on which commercial banks are required or authorized to close in New York, New York.

1. This Note is issued pursuant to a Loan Agreement (the "Loan Agreement"), dated the date hereof, between the Company and ILC and is secured by a Mortgage, Security Agreement and Assignment of Leases and Rents from the Company to ILC, dated the date hereof (the "Mortgage") and by certain Collateral (as such term is defined in the Mortgage). Reference is hereby made to the Loan Agreement and the Mortgage for a description of the Collateral, the security afforded thereby, the premium that may be payable thereon, and the rights of the holder of this Note with respect thereto. Reference is hereby made to the Loan Agreement for a description of the Conversion Option (as such term is defined in the Loan Agreement). If an Event of Default (as such term is defined in the Loan Agreement) shall occur, the principal hereof and accrued interest hereon and other sums, if any, payable hereunder or in respect hereto may be declared due and payable by ILC at its option prior to the Maturity Date in the manner, upon the conditions and with the effect provided in the Loan Agreement.

2. The Company covenants and agrees that the principal amount of this Note will be repaid and interest accrued thereon will be paid on the Maturity Date.

3. This Note shall be prepaid in accordance with Section 11(a) of the Loan Agreement and may be prepaid in accordance with Section 10(b) of the Loan Agreement, in whole or in part, on not less than 10 Business Days' notice and payment of interest on the amount prepaid to the date of such prepayment. All prepayments under this paragraph or under any of the Collateral shall be applied to the unpaid installments in the inverse order of their maturities.

4. The Company hereby waives presentment for payment, demand, protest and notice of protest and nonpayment hereof and hereby consents that any and all Collateral or other property, if any, held by the holder hereof at any time as security for this Note may be exchanged, released or surrendered, and that the time of payment of this Note may be extended, all in the sole discretion of the holder hereof and without notice to and without affecting in any manner the liability of the Company hereunder.

5. No course of dealing between the Company and the holder hereof or delay on the part of the holder hereof in exercising any rights hereunder or under any of the Collateral shall operate as a waiver of any right of any holder hereof except to the extent expressly waived in writing by such holder.

6. Whenever any payment to be made hereunder shall be due on a day which is not a Business Day, such payment may be made on the next succeeding Business Day and any extension of time shall be included in computing interest with respect to such payment.

7. All payments of the principal, interest and other amounts payable upon or in respect of this Note or the indebtedness evidenced hereby shall be made to the account of ILC (Account No. 8011541756), at Irving Trust Company at One Wall Street, New York, New York 10015, U.S.A., in immediately available funds. All such payments shall be made without setoff or counterclaim and free and clear of, and without deduction for, any taxes, levies, imposts, duties, charges, fees, deductions, withholdings, restrictions or conditions of any nature herebefore or hereafter imposed by any domestic or foreign governmental authority or by any political subdivision thereof, or taxing authority therein, unless the Company is compelled by law to make such deduction or withholding. In the event that any such obligation is imposed upon the Company, the Company will pay to the holder hereof such additional amount as may be necessary to enable the holder hereof to receive the same net amount (after taking into account any credit, repayment, relief or rebate in respect of taxation by the taxing authority imposing any such tax

or duty which the holder hereof may be entitled to claim, as reasonably determined by the holder, arising directly or indirectly as a result of any such deduction as aforesaid) which said holder would have received if no such obligation had been imposed; provided that the foregoing provisions of this sentence shall not apply in the case of amounts deducted from interest in respect of taxes charged upon or by reference to the income, profits or gains of such holder and imposed by the United States of America or the State or City of New York. The Company agrees that it will pay from the Collateral and save the holder hereof harmless from all liabilities with respect to or resulting from any delay or omission to pay any such tax, levy, impost, duty, charge or fee or to make any such deduction or withholding required by law.

8. Should the indebtedness represented by this Note or any part thereof be collected by action at law, or in bankruptcy, receivership or other court proceedings, or should this Note be placed in the hands of attorneys for collection after default, the Company agrees to pay from the Collateral, in addition to principal and interest due and payable hereon, court costs and reasonable attorneys' fees and other collection charges, unless prohibited by law.

9. As used herein the term "holder" means ILC or any other person who is at the time the holder in possession of this Note.

10. Notwithstanding anything contained in the Loan Agreement or this Note to the contrary, but subject to the proviso set forth below, (x) ILC shall not have recourse against the Company for the payment of any amount payable hereunder and (y) upon the occurrence of an Event of Default, ILC's remedy shall be limited to the repossession, liquidation, foreclosure, sale, assignment or other disposition of the Collateral and the application of the proceeds thereof in payment of the amounts payable hereunder or under the Loan Agreement; provided, however, that (i) this Section 10 shall not release the Company from its liability, for which ILC shall have full recourse against the Company, for the Company's failure to perform its obligations under Section 5(i) of the Loan Agreement or the Company's violation of Section 6(a) of the Loan Agreement; (ii) ILC shall have full recourse against the Company for any amount payable by the Company under Section 14(a) of the Loan Agreement; and (iii) nothing in this Section 10 shall affect ILC's rights against the Collateral to recover any amounts for which ILC shall have no recourse against the Company.

11. This Note shall be deemed to have been made under and governed by the laws of the State of New York as to all matters of construction, validity, effect and performance.

IN WITNESS WHEREOF, the Company has caused this Limited
Recourse Secured Promissory Note to be duly executed on the date
first above written.

RIDGEFIELD DEVELOPMENT
CORPORATION

BY *Orman Kelp*